GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2113
ANSWERED ON:01.12.2000
PURCHASE PREFERENCE
GANGASANDRA SIDDAPPA BASAVARAJ;Y.S. VIVEKANANDA REDDY

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government are contemplating to extend the 10% price linked Purchase Preference by another one year;

(b) if so, the details thereof,

(c) whether there is any objection in extending the period;

(d) if so, the details thereof and

(e) the final decision taken by the Government in this regard ?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) to (e) At present government has no proposal to extend 10% price linked Purchase Preference for another one year. However, keeping in view, the requests from various Ministries, PSEs andthe various relevant factors, the Purchase Preference Policy for the products and services of central public sector enterprises has been extended by the Government for another two years i.e. up to 31.3.2002 with the existing parameters except that the minimum value of purchase as specified in the scheme may be Rs. 1 crore instead of Rs. 5 crore as mentioned in DPE`s OM dated 31.10.1997. The provisions relating to purchase preference should be specified in the Notice Inviting Tender (NIT) in each case and the PSEs which avail benefit of the policy will be subject to adequate penalties for cost over-runs etc. Necessary guidelines have been issued vide this Department`s OM dated 14.9.2000.